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*Foundation For Quality Housing Opportunities, Inc.*

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April 1, 1999

Office of the Fiscal Assistant Secretary  
U.S. DEPARTMENT OF TREASURY, RM. 2112  
1500 Pennsylvania Avenue, N.W.  
Washington D.C. 20200

Dear

I am writing on behalf of Foundation for Quality Housing Opportunities, Inc. to urge Treasury to prohibit check cashiers and other "payment service providers" from providing recipients access to electronic federal benefits, as part of EFT'99. Check cashiers prey upon low-income consumers and deny their customers the consumer protections provided at mainstream financial institutions.

The Foundation is a 501(c)(3) nonprofit organization developing housing for low income seniors and families.

Treasury began EFT'99 with the stated goal of bringing the unbanked into the financial mainstream. Allowing check cashiers to be the access point for federal benefits recipients to receive their funds, however, does exactly the opposite. Check cashiers force consumers to pay excessive fees for transactions that would be available to them at a reasonable cost. For instance, in California check cashiers charge an annual percentage rate of almost 400% for a payday loan! With interest rates this high, recipients are prevented from having access to their benefits at a reasonable cost.

Check cashiers also provide few consumer protections that they would receive if they banked at a federally insured financial institution. If federal benefits recipients have an account with such fringe bankers, check cashiers may withhold federal funds as payment for past sums owed to the check cashier.

By allowing check cashiers to provide access to federal funds, Treasury will not only condone, but stimulate the abusive practice of check cashiers. While the customer will go to the check cashier to receive her federal benefits, she may also become a potential customer for numerous other abusive transactions. The number of check cashier5s has doubled since 1990, and is steadily growing. This profitable industry makes no reinvestment back into the low income communities in which they operate.

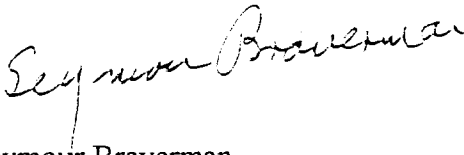
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It is time Treasury made EFT '99 a program that truly protects consumers and ensures that low income recipients are not relegated to a position outside the financial mainstream. Please prohibit arrangements wherein recipients of electronic federal payments gain access to benefits through non-depository payment service providers.

Sincerely,

A handwritten signature in cursive script, appearing to read "Seymour Braverman".

Seymour Braverman

SB:mz

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